



FIFTY-FIFTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF THE

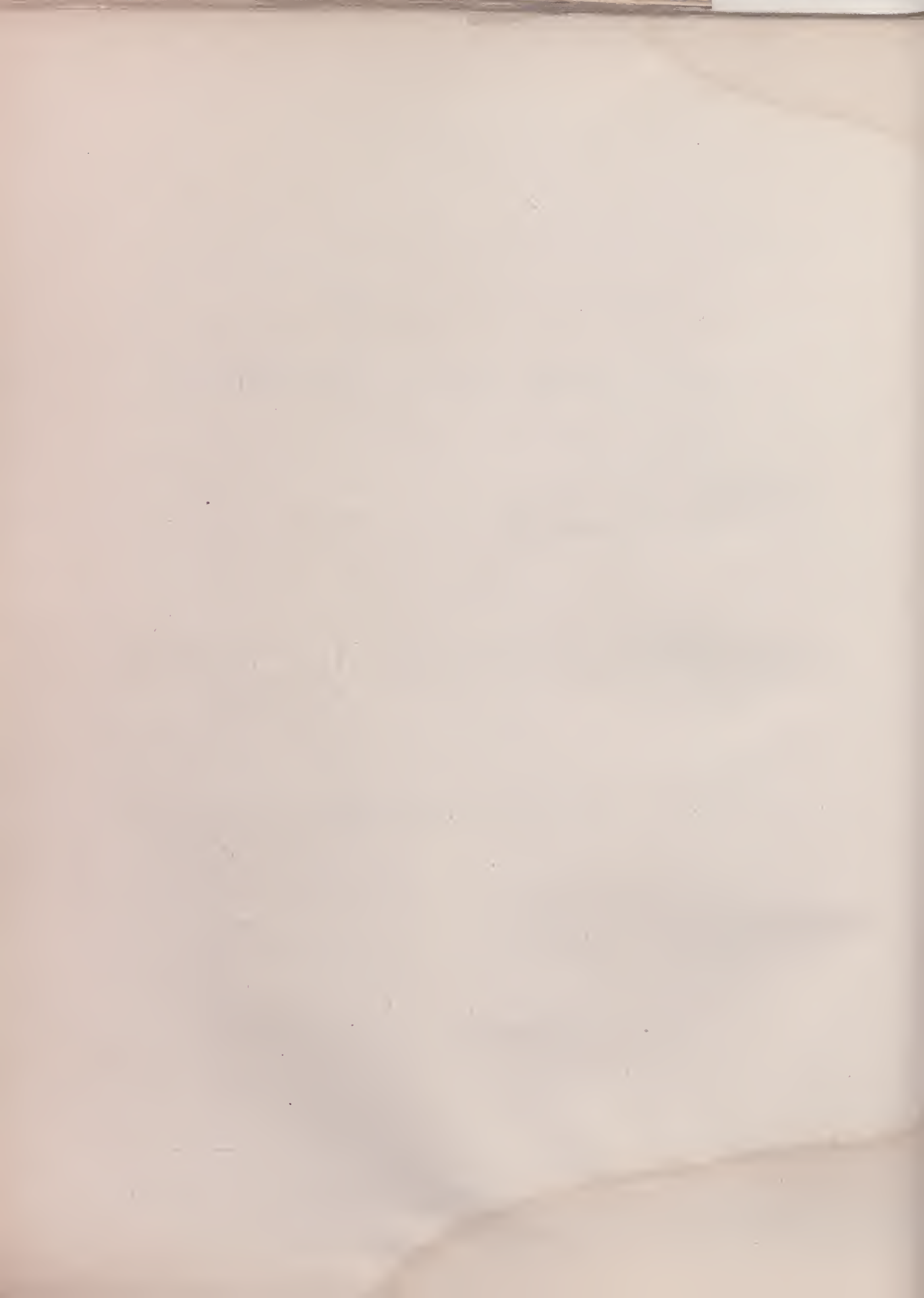
LEHIGH VALLEY RAILROAD COMPANY

TO THE

STOCKHOLDERS



FISCAL YEAR ENDED JUNE 30, 1909



LEHIGH VALLEY RAILROAD COMPANY

BOARD OF DIRECTORS

GEORGE F. BAER	EDWARD B. SMITH
GEORGE F. BAKER	IRVING A. STEARNS
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ABRAM NESBITT	SIMON P. WOLVERTON

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E. B. THOMAS.....	<i>President</i>
J. A. MIDDLETON	<i>First Vice President</i>
T. N. JARVIS	<i>Second Vice President</i>
L. D. SMITH.....	<i>Assistant to the President</i>
D. G. BAIRD	<i>Secretary</i>
J. M. BAXTER	<i>Treasurer</i>
G. N. WILSON.....	<i>General Auditor</i>

FIFTY-FIFTH ANNUAL REPORT

PHILADELPHIA, September 29, 1909.

To the Stockholders of the

LEHIGH VALLEY RAILROAD COMPANY:

The Board of Directors herewith submit the fifty-fifth annual report of the business of your Company for the fiscal year ended June 30, 1909.

MILEAGE

The mileage of railroads owned and operated by the Lehigh Valley Railroad Company, the main line of which is double track, extending from Jersey City, N. J., to Buffalo and Suspension Bridge, N. Y., is as follows:—

	MILES
Owned, or controlled by ownership of entire capital stock	1,209.19
Controlled by ownership of majority of capital stock	157.21
Controlled by leases	27.88
Total mileage operated (owned and controlled)	1,394.28
Trackage rights over railroads owned by other companies	47.03
Total mileage	1,441.31

—of which 588.06 miles, or 40.80 per cent., have second track, 60.16 miles have third track and 24.17 miles have fourth track. There are also 1,127.78 miles of yard tracks and sidings on the system.

No important changes have been made in the mileage of the system during the year. The increase of 17.17 miles of yard tracks and sidings is occasioned by transferring to that item 4.26 miles of breaker branches heretofore included under first track mileage, the enlargement of certain yards, and the construction or extension of sidings to various industries.

REVENUES AND EXPENSES

The following statement shows the gross revenues, expenses and net revenue from the operation of the entire system for the fiscal year, not including other income, compared with similar figures for the fiscal year 1908. The complete income account appears on page 24.

The Interstate Commerce Commission having ordered further changes in the method of accounting, effective with the beginning of the fiscal year, certain of the 1908 figures have been restated and will, therefore, be found not to agree with those published in the last annual report. The same is also true of the statistics based thereon.

GROSS OPERATING REVENUES

FROM	1909	1908	INCREASE	DECREASE
Coal freight	\$14,831,670 78	\$16,175,279 94		\$1,343,609 16
Merchandise freight	13,291,830 90	14,011,301 78		719,470 88
Passenger	3,905,062 74	4,159,890 47		254,827 73
Mail	209,899 01	209,072 78	\$826 23	
Express	406,225 72	383,558 16	22,667 56	
Other transportation	307,725 75	290,232 18	17,493 57	
Miscellaneous	185,417 31	280,818 91		95,401 60
Total operating revenues . .	\$33,137,832 21	\$35,510,154 22		\$2,372,322 01

OPERATING EXPENSES

	1909	1908	INCREASE	DECREASE
Maintenance of way and structures	\$3,273,339 47	\$3,398,642 07		\$125,302 60
Maintenance of equipment . . .	5,832,430 15	6,153,874 30		321,444 15
Traffic expenses	810,293 00	778,652 95	\$31,640 05	
Transportation expenses	9,949,909 59	11,342,927 13		1,393,017 54
General expenses	709,764 09	637,940 04	71,824 05	
Total operating expenses . .	\$20,575,736 30	\$22,312,036 49		\$1,736,300 19
NET OPERATING REVENUE . . .	\$12,562,095 91	\$13,198,117 73		\$636,021 82
Ratio of operating expenses to operating revenues	62.09%	62.83%		74%

REVENUES

COAL FREIGHT

The transportation of coal, including coke, produced a revenue of \$14,831,670.78, a decrease of \$1,343,609.16, or 8.31 per cent., as compared with the preceding year. This decrease is occasioned by the reduced tonnage of anthracite coal as a result of the mild winter and depressed commercial conditions.

The Lehigh Valley Coal Company and affiliated companies mined and purchased during the year 83.2 per cent. of the anthracite coal transported by the Lehigh Valley Railroad Company.

The percentage of coal freight revenue to total operating revenues was 44.76 per cent., a decrease of .79 per cent.

The coal and coke tonnage transported, not including supply coal, amounted to 13,273,136 tons, a decrease of 1,249,126 tons, or 8.60 per cent.

The number of tons moved one mile amounted to 2,017,613,649, a decrease of 204,338,134 ton miles, or 9.20 per cent.

The average haul decreased from 153.00 to 152.01 miles, a decrease of .99 mile, or .65 per cent.

The coal tonnage was 53.39 per cent. of the total tonnage hauled during the year, as compared with 54.84 per cent. for the previous year, being a decrease of 1.45 per cent.

MERCHANDISE FREIGHT

The revenue derived from the transportation of merchandise freight amounted to \$13,291,830.90, a decrease of \$719,470.88, or 5.13 per cent., as compared with the previous twelve months. The falling off in this class of traffic is due to the smaller volume of freight available for movement generally. Of this decrease but \$126,571.52 is in the local traffic, the greater portion being in the traffic received from or delivered to other railroads.

The percentage of revenue derived from the transportation of merchandise freight to total operating revenues was 40.11 per cent., an increase of .65 per cent.

The tonnage moved, exclusive of Company's material, was 11,586,069 tons, a decrease of 371,830 tons, or 3.11 per cent.

The number of tons carried one mile amounted to 2,380,195,688, a decrease of 192,890,046 ton miles, or 7.50 per cent.

The average haul decreased from 215.17 to 205.44 miles, a decrease of 9.73 miles, or 4.52 per cent.

Company's material amounting to 364,378 tons was transported during the year, being a decrease of 67,767 tons, or 15.68 per cent.

GENERAL FREIGHT

The total revenue from both coal and merchandise freight was \$28,123,501.68, a decrease of \$2,063,080.04, or 6.83 per cent., as compared with the preceding year.

The entire freight traffic amounted to 24,859,205 tons, being a decrease of 1,620,956 tons, or 6.12 per cent.

The number of tons carried one mile was 4,397,809,337, a decrease of 397,228,180 ton miles, or 8.28 per cent.

The average distance carried was 176.91 miles, a decrease of 4.17 miles, or 2.30 per cent.

The average revenue per ton was 113.13 cents, as against 114.00 cents last year, being a decrease of .87 cent, or .76 per cent.

Company's freight, not included in the above, amounted to 2,238,955 tons, a decrease of 398,137 tons, or 15.10 per cent.

The total freight train mileage was 8,216,419 miles, a decrease of 822,758 miles, or 9.10 per cent.

Revenue received per freight train mile was \$3.42, as compared with \$3.34, being an increase of \$.08, or 2.40 per cent.

The average train load of revenue freight was 535.25 tons, an increase of 4.78 tons, or .90 per cent. Including Company's freight, the average train load was 553.13 tons, as against 550.34 last year, an increase of 2.79 tons, or .51 per cent.

The average number of tons of revenue freight in each loaded car was 22.85 tons, a decrease of .55 ton, or 2.35 per cent. Including Company's freight, the average carload was 23.62 tons, a decrease of .66 ton, or 2.72 per cent.

PASSENGER

The receipts from passenger traffic amounted to \$3,905,062.74, a decrease of \$254,827.73, or 6.13 per cent., as compared with the previous twelve months. This decrease is due principally to the falling off in through business interchanged with foreign lines. Your Company has been unable as yet to obtain any relief from the law enacted by the State of Pennsylvania, reducing the rates of fare to a maximum of two cents per mile, although every effort to that end is being made, which, if successful, will increase the revenue on passenger business in that state.

The total number of passengers carried was 4,876,801, a decrease of 49,403, or 1.00 per cent.

The number of passengers carried one mile decreased 23,728,297, or 9.61 per cent.

The average revenue per passenger was 80.07 cents, a decrease of 4.37 cents, or 5.18 per cent.

The average revenue per passenger per mile was 1.749 cents, an increase of .065 cent, or 3.86 per cent.

The average distance travelled by each passenger was 45.79 miles, a decrease of 4.36 miles, or 8.69 per cent.

Passenger train mileage was 4,014,782, an increase of 40,256 miles, or 1.01 per cent.

The revenue from passengers per passenger train mile was 97.27 cents, a decrease of 7.39 cents, or 7.06 per cent. The average number of passengers per train was 55.62, a decrease of 6.53, or 10.51 per cent., and the average number of passengers per ear was 16.61, a decrease of 1.40, or 7.77 per cent.

MAIL

The transportation of United States mails produced a revenue of \$209,899.01, an increase of \$826.23.

EXPRESS

The express revenue amounted to \$406,225.72, an increase of \$22,667.56.

OTHER TRANSPORTATION

The revenue derived from transportation other than that shown under the preceding headings was \$307,725.75, an increase of \$17,493.57.

MISCELLANEOUS

Miscellaneous revenue amounted to \$185,417.31, a decrease of \$95,401.60.

EXPENSES**MAINTENANCE OF WAY**

The total expense for maintenance of way and structures was \$3,273,339.47, a decrease of \$125,302.60, or 3.69 per cent., as compared with the preceding year. Notwithstanding this reduction, the expenditures have been ample, in view of the lighter volume of business, to fully maintain the track, bridges, and all property used in connection therewith.

During the year one wooden and two iron bridges were constructed. Twenty-one steel bridges, replacing old wooden or light iron bridges, and seven steel or concrete bridges, replacing light iron bridges, were built. Three iron bridges were replaced by pipe culverts and two wooden bridges were abandoned and the openings filled.

72,811 feet, or 13.79 miles, of Company's sidings and 17,846 feet, or 3.38 miles, of industrial sidings were constructed.

15,442 tons of new 90-pound rail, together with necessary frogs, switches, etc., were placed in the track.

274,429 tie plates were used.

618,593 cross ties, 2,014,752 feet B. M. switch ties, 696,888 feet B. M. bridge ties and lumber amounting to 2,365,262 feet B. M. were used during the year.

17.40 miles of telegraph and telephone pole line were rebuilt and 123.45 miles reset.

190.50 miles of new copper, 82.25 miles of new iron, and 25.35 miles of second-hand iron wire were used in extending telephone, telegraph, and signal wires. 38.10 miles of iron wire and 84.75 miles of copper wire were used in replacing worn-out wires in the same service.

MAINTENANCE OF EQUIPMENT

The sum of \$5,832,430.15 was expended for the maintenance of equipment during the year, a decrease of \$321,444.15, or 5.22 per cent., as compared with the previous twelve months. This decrease is the natural result of the smaller amount of equipment in actual service, owing to the restricted business, and was not brought about by any impairment of the physical condition of the same, which has been fully maintained.

In compliance with the order, effective July 1, 1907, issued by the Interstate Commerce Commission, requiring a monthly charge to expenses for the depreciation of equipment, the sum of \$991,267.87 was charged to maintenance during the year and credited to Equipment Replacement Reserve. After adding this sum to the balance resulting from similar charges made during the previous year, and deducting therefrom the cost of additional equipment and other charges, the balance to the credit of that reserve account, including the depreciation of floating equipment, on June 30th, was \$1,382,511.78, an increase of \$803,848.58.

Four hundred 100,000-pounds capacity drop-end steel gondola cars and fifteen 8,000-gallons capacity tenders were purchased and charged to Equipment Replacement Reserve. Twelve steel underframe caboose cars were built and the cost also charged to the same account. Six locomotive cranes were purchased and charged to Additions and Betterments.

To reduce the future cost of maintenance and prolong the life of the large capacity wooden freight cars, it has been decided to equip the same with steel underframes as fast as such cars are received in the shops for heavy repairs. For this purpose 832 underframes were purchased and used.

Fourteen locomotives, unfit for further service and of an age and design that did not warrant rebuilding, were sold and their book value, less proceeds of sale, charged to Operating Expenses.

Fifty-six new fire boxes, twenty new tender frames and twenty-one new cisterns were applied. One 4,500- and three 8,000-gallons capacity tenders were constructed. 725 locomotives received heavy and general repairs.

Six passenger coaches, three combination passenger and baggage cars, one baggage and mail car, 824 freight equipment cars and seventy-two road service cars were condemned and destroyed during the year and the value thereof, less salvage, charged to operating expenses.

One baggage and mail car was rebuilt in order to provide mail compartments to conform to Government requirements. 318 passenger equipment cars were painted and varnished, nine equipped with wide vestibules and seven with standard steel platforms. Seventy-seven passenger cars were equipped with new standard steps and ten milk cars with new steel trucks.

The total number of freight equipment cars at the end of the year was 42,376, having a capacity of 1,505,795 tons, a decrease of 425 cars and an increase of 1,155 tons. The total number of locomotives was 873, having a tractive power of 23,703,050 pounds, a decrease of twelve locomotives and 184,986 tractive pounds.

It has been the policy of your Company during recent years to condemn and dispose of all light locomotives and small capacity cars of obsolete type whenever their condition

requires heavy repairs and to replace with equipment of larger capacity and modern design. Such a policy tends to greater economy, partially offsets the constantly increasing cost of railroad operation, increases as well the factor of safety and improves the efficiency of the service. Much has been accomplished in this direction. In 1906 the average capacity of box cars was 59,500 pounds, whereas on June 30, 1909, the average capacity had been raised to 63,780 pounds, and coal cars from 63,820 pounds to 79,920 pounds. During the same period the average tractive power of locomotives increased from 25,798 pounds to 27,151 pounds.

TRAFFIC EXPENSES

This class of expenses amounted to \$810,293.00, an increase of \$31,640.05 over the preceding year. The increased expense for filing tariffs as required by various laws more than offsets the reduction made in other expenses under this heading.

TRANSPORTATION EXPENSES

The total cost of conducting transportation was \$9,949,909.59, a decrease of \$1,393,017.54, or 12.28 per cent., as compared with the previous twelve months. The ratio of transportation expenses to total operating revenues was 30.03 per cent., as against 31.94 per cent. last year, a decrease of 1.91 per cent.

GENERAL EXPENSES

The expenditures under this heading amounted to \$709,764.09, an increase, as compared with the preceding fiscal year, of \$71,824.05, or 11.26 per cent. The expense of employing counsel to defend the Company in the many suits brought by national and state bodies and others, as well as the necessity of legal advice on matters growing out of recent enactments, was very heavy, having increased materially during the last year. The increase in legal expenses alone more than accounts for the total increase shown above, the other items included under this heading having decreased as compared with the previous year.

TAXES

During the year the taxes levied on your property and business amounted to \$1,079,376.23, or 3.26 per cent. of the Company's revenues, an increase of .10 per cent.

FLOATING EQUIPMENT

Ample expenditures were made for maintaining the floating equipment of the Company. Eight 1620-ton capacity steel coal barges and one steel tug were purchased during the year and charged to Equipment Replacement or other reserves. One small wooden tug and two barges, covered by insurance, were lost at sea. One cattle float was sold and one barge condemned.

The floating equipment in New York Harbor or engaged in coastwise business at the close of the year was as follows:

20 tugs	6 steam lighters	196 barges
25 car floats	3 cattle floats	1 hoisting boat
3 work boats	1 wrecking boat	

The vessels comprising the fleet on the Great Lakes have been fully maintained and remain the same as during the previous year, viz:

NAME	CAPACITY
Wilkes-Barre.....	6,000 tons
Mauch Chunk.....	6,000 "
Bethlehem.....	3,000 "
Seneca.....	3,000 "
Saranac.....	3,000 "
Tuscarora.....	3,000 "

FINANCIAL

To provide cash to carry on certain improvements to the property, which it is deemed advisable to prosecute during the coming fiscal year, and to retire several mortgages on real estate, \$3,000,000 of General Consolidated Mortgage four per cent. Bonds were sold, leaving in the treasury \$3,000,000 of similar bonds available for future requirements. The proceeds from the sale of these bonds, less the principal of certain of the mortgages already matured and paid off, have been set aside as a special deposit reserved for the expenditures contemplated.

Payments amounting to \$2,752,000 were made for the retirement of outstanding obligations as provided in the respective mortgages or deeds of trust, and represent the matured principal of \$1,000,000 Collateral Trust four per cent. Bonds, and Equipment Trusts Series C, D, E, F, G, H, I and J. In these payments are included the final installments due on Equipment Trusts Series C, E and F, which matured during the year. Those trust agreements were cancelled and the title to the equipment pledged thereunder, consisting of one thousand 100,000-pounds capacity coal cars, one thousand 80,000-pounds capacity coal cars, four hundred 80,000-pounds capacity box cars, twenty combination passenger and baggage cars and one hundred and sixteen locomotives, has been vested in your Company. At the close of the year the total outstanding Equipment Trust obligations in the hands of the public were \$4,750,000. Equipment Trust Certificates Series H and I, amounting to a total of \$3,560,000, are in the treasury.

The Lehigh Valley Rail Way Company, which is the owner of the more important lines in New York State, issued \$202,000 of its capital stock to your Company to reimburse the latter for advances made during the last two years on account of the construction of the Lehigh and Lake Erie Branch and for yard and terminal facilities at Buffalo. This stock has been deposited as additional collateral security under the General Consolidated Mortgage of the Lehigh Valley Railroad Company as required thereby.

Your Company received and placed in its treasury \$10,000 of First Mortgage five per cent. Bonds of the Hazleton Water Company in settlement of advances made to the latter for the purpose of carrying on certain improvements to its plant.

For the protection of the future water supply in Luzerne County, Pa., the capital stocks of The Denison Township Water Company and the Wyoming Valley Water Supply Company were purchased, those companies having valuable charter rights.

The property of the Glen Summit Hotel & Land Company, one of your subsidiary companies, which has been bankrupt for many years, was sold under judgment and purchased in the interest of your Company. The value of the property so acquired has been added to Real Estate Account. As the Glen Summit Company was, therefore, left without any property or assets, the stocks and bonds of that Company were written off and accordingly disappear from the table of Securities Owned.

The small interest held by your Company in the securities of the Mansion House Hotel Company, consisting of \$7,000 bonds and \$10,000 stock, was sold during the year.

The reduction in Other Income is due principally to the decreased rental received from other railroad companies for the hire of equipment, as a result of the large number of idle cars. The changes in classification as prescribed by the Interstate Commerce Commission have also affected several of the items included in the heading referred to and have caused certain apparent decreases, particularly in the case of the water lines.

The operation of the Lehigh and New York Railroad during the year resulted in a loss of \$88,028.63. This property has been operated by your Company since 1895 under lease and, notwithstanding the most rigid economies, has generally proved unprofitable. The matter is one now occupying the attention of your management.

The small decrease in Equipment Account, as shown in the general balance sheet, is caused by the credits to that account of the book value of certain small capacity cars which were disposed of in accordance with authority granted by your Board in 1907. No equipment was charged to Capital Account during the year.

The increase in Real Estate Account is occasioned by the payment of several purchase money mortgages on sundry tracts of land and miscellaneous purchases of real estate.

The book value of the Coxe properties has been reduced by \$1,000,000, a like amount of the reserve for depreciation of the Coxe mines and properties having been appropriated for this purpose. That reserve has been closed by transferring the small remaining balance to General Reserve Fund. Since the Coxe properties decrease in value as the coal is mined therefrom, it has been deemed advisable for the past two years to write down the book value as mentioned.

The value of materials and supplies on hand at the close of the year amounted to \$2,084,199.51, a decrease of \$19,997.21.

Current Assets are \$14,054,177.74 in excess of Current Liabilities, an increase of \$3,715,358.76 as compared with the previous year.

The outstanding capital indebtedness of the Company increased \$248,000, due to the issuance of \$3,000,000 General Consolidated Mortgage Bonds previously mentioned, less \$1,000,000 Collateral Trust Bonds and \$1,752,000 Equipment Trust obligations which matured during the year.

The amount of capital stock issued remains unchanged.

A semi-annual dividend of five per cent. on the preferred capital stock, and a semi-annual dividend of two per cent., with an extra dividend of one per cent., on the common capital stock of the Company, were declared by your Board of Directors on December 16, 1908, and paid January 9, 1909. Similar dividends were declared on June 16, 1909, and paid July 10, 1909.

The general balance sheet and various statements appended show the financial condition of the Company at the close of the fiscal year.

The accounts of the Company for the fiscal year have been examined and the cash and securities verified by certified public accountants, the result of which is set forth in the accountants' certificate appearing on page 19.

The annual report of the mining operations conducted by The Lehigh Valley Coal Company and other companies in which it and the Lehigh Valley Railroad Company are interested, through ownership of stock, has been published concurrently with this report. The net income of The Lehigh Valley Coal Company was \$375,452.16, a decrease of \$13,153.95, as compared with the preceding fiscal year.

GENERAL REMARKS

The year generally has brought about no changes of importance in the affairs or property of your Company. The decrease in the Company's revenues needs no explanation, the business depression extending over the country at large being responsible therefor. A considerable reduction was made in the expense of operation to offset the reduced revenues, but this reduction caused no impairment of the physical condition of the property, which remains at its usual high standard. Ample expenditures were made for maintenance, those accounts showing but slight changes as compared with the previous year. The bulk of the decrease is in the expense of transportation.

Owing to the falling off in business and the consequent reduction in revenue, no extensive additions and betterments were made to the property other than those required in the immediate conduct of the business, with the exception of certain preliminary work in the nature of grading, track layout, etc., that will be necessary in furthering the Company's policy of reducing grades, improving alinement and extending third and fourth tracks.

Since the close of the fiscal year, however, your Board has deemed it advisable to authorize expenditures of approximately \$2,000,000 for additional betterments and improvements to the property, consisting of extensions of third and fourth tracks, new freight and passenger facilities, the enlargement of terminals and for other improvements

which will tend either to a reduction in the expense of operation or provide for increased business. A large portion of these expenditures will be charged to Capital Account and the balance to Additions or Expenses, as may be proper. It should be observed in this connection, that the line of the Lehigh Valley Railroad Company is located only within the State of Pennsylvania, the lines in New York and New Jersey being in the names of subsidiary companies, and that such capital expenditures as are made for account of the same are not reflected in the item, Cost of Road, on the condensed balance sheet, but in the item, Securities Owned. The latter item, as will be noted by reference to previous annual reports, has increased materially during the last few years.

The compliance by your Company for another year with the order issued by the Interstate Commerce Commission, prescribing certain monthly charges to Maintenance Account for depreciation of equipment, and which has resulted in a balance of \$1,382,511.78 at the close of the year, notwithstanding replacements charged thereto, has further convinced your management of the utter impracticability of such a system. Basing, as it does, charges upon theory and not upon facts, charges which are as great when equipment is idle as when in constant service, it produces confusion in arriving at the actual cost of operation. It is hoped, in this connection, that the Commission will at an early date so modify its order that charges will be based upon actual conditions and not upon an arbitrary or theoretical rate of depreciation which may or may not exist.

It is gratifying to note that the past year has witnessed no additional violent or radical legislation affecting railroads, either by Congress or the various states in which the Company's property is located and, in this connection, it may be observed that there is some revival in business activity which, if unhampered by adverse legislation, should result in a speedy return to normal prosperity.

The work of providing for a permanent embankment and viaduct on a revised line and grade at Greenville, as mentioned in the last annual report, was continued, the grading being entirely completed. The amount charged to this account during the year was \$99,311, making a total expenditure to date of \$176,565.

The east and westbound yards at Manchester were enlarged at a cost of \$77,370, by the addition of 8.73 miles of track, to enable the classification and consolidation into through trains of the cars to and from frontier connections, thus greatly reducing switching and consequent delay in intermediate yards.

A staff system, as an auxiliary to the automatic block signal protection on the single track mountain grade between Fairview and Conway, a distance of 11.2 miles, together with an interlocking plant at Conway, is being installed. The placing of automatic signals on the Niagara Falls Branch was completed during the year at an expense of \$21,143.

Sidings to the extent of 7,450 feet were constructed at Lehighton for the storage of cars, which will facilitate the making of repairs at Packerton Shop as well as avoid blocking the running tracks. Additional eastbound receiving tracks for the relief of Coxton Yard were also constructed.

In order to comply with the requirements of the New York State Board of Health, extensive improvements and repairs were made to various milk shipping stations on the system.

During the year expenditures approximating \$42,815 were incurred at South Bethlehem in connection with the construction of new yard tracks and the proposed change of alinement.

Six locomotive cranes were provided at various points on the line for more economical fueling of locomotives and handling of ashes, at an expense of \$36,105.

Improvements were made to the water supply system at South Easton by the installation of an additional high pressure main and two new 35,000-gallons capacity tanks with 12-inch standpipes; at Shields by the construction of an additional tank of 60,000-gallons capacity, and at Lodi by replacing a 4-inch line from the reservoir by an 8-inch line. A 12-inch standpipe was also installed at Coxton and 10-inch standpipes at Manchester and Lumber Yard.

A new bulkhead and steel shed were constructed at Pier 66, New York City, the total cost being \$10,401.

Extensive repairs were made to bulkheads at the Jersey City Terminal, the east and westbound freight houses and coal shipping trestle at Tift Farm, as well as to the coal trestles at North Fair Haven and Canastota.

A twenty-ton electrically operated freight handling crane was erected at Allentown, displacing a hand crane of small capacity which was transferred to Phillipsburg. A 100-ton track scale was installed at Geneva.

A new freight station was erected at Hamburg Place, Newark, and the driveways at the Easton freight station were paved with stone blocks.

On March 19th, Pier B, Jersey City, was entirely destroyed by fire, except a small fueling plant on the extreme river end. The property was fully covered by insurance and plans have been prepared for the restoration of the pier.

The year's business was conducted without any fatalities occurring to the 4,876,801 passengers carried. The number of accidents to employes shows a very gratifying decrease as compared with the previous twelve months. This does not appear to be due in any way to the regulations prescribed by the various Railroad Commissions for conducting the business of common carriers, nor to the application of any of the safety appliance laws, but rather to the opportunity to secure and maintain greater efficiency among its employes by reason of the large number of men seeking work and the desire of those already employed to retain their positions, as well as to the relaxation of the strain under which their duties were performed during the previous few years, when the volume of business was exceptionally heavy.

53.28 per cent. of the total operating expenses, including outside operations, or \$12,297,919.51, was paid direct to labor, being distributed among an average of 20,731 employes during the year. The Company's employes generally are receiving rates of wages as high as those paid during the time of the Company's greatest prosperity.

Mr. Hamilton McK. Twombly resigned as a Director, and Mr. P. A. B. Widener was elected to fill the vacancy.

Mr. W. C. Alderson, after a service of 39 years with the Company, resigned as Treasurer, and Mr. J. M. Baxter was promoted from the office of Assistant Treasurer to fill the vacancy. Mr. H. J. McQuade was elected Assistant Treasurer.

The Board expresses its appreciation of the loyal and faithful services rendered by the officers and employes of the Company during the year.

By order of the Board of Directors,

E. B. THOMAS,

President.

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET

NEW YORK

LONDON, E. C.

30 COLEMAN STREET

CHICAGO

ST. LOUIS

CLEVELAND

PITTSBURGH

MARQUETTE BUILDING THIRD NATIONAL BANK BUILDING WILLIAMSON BUILDING FARMERS BANK BUILDING

CABLE ADDRESS "HASKSELLS"

New York, August 26, 1909.

Mr. E. B. Thomas, President,

Lehigh Valley Railroad Company,

Philadelphia, Pa.

DEAR SIR:

In pursuance of our engagement, we have audited the books and accounts of the Lehigh Valley Railroad Company for the fiscal year ended June 30, 1909, including confirmation of balances in the accounts representing cash, securities, and notes, by physical examination of such assets or by obtaining certifications of depositaries and trustees as to their custody; and

WE HEREBY CERTIFY that the accompanying Income Account and Profit and Loss Account for the year and Condensed General Balance Sheet at the close of the year are correct.

Yours truly,

(Signed) HASKINS & SELLS,

Certified Public Accountants.

APPENDIX

TABLES

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1. Income account	24
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COMPARATIVE INCOME ACCOUNT FOR THE YEARS ENDED JUNE 30,
1909 AND 1908

TABLE 1

	1909	1908	INCREASE	DECREASE
REVENUE FROM OPERATION:—				
Coal freight revenue	\$14,831,670 78	\$16,175,279 94		\$1,343,609 16
Merchandise freight revenue	13,291,830 90	14,011,301 78		719,470 88
Passenger revenue	3,905,062 74	4,159,890 47		254,827 73
Mail revenue	209,899 01	209,072 78	\$826 23	
Express revenue	406,225 72	383,558 16	22,667 56	
Other transportation revenue	307,725 75	290,232 18	17,493 57	
Miscellaneous revenue	185,417 31	280,818 91		95,401 60
Total operating revenues	\$33,137,832 21	\$35,510,154 22		\$2,372,322 01
OPERATING EXPENSES:—				
Maintenance of way and structures	\$3,273,339 47	\$3,398,642 07		\$125,302 60
Maintenance of equipment	5,832,430 15	6,153,874 30		321,444 15
Traffic expenses	810,293 00	778,652 95	\$31,640 05	
Transportation expenses	9,949,909 59	11,342,927 13		1,393,017 54
General expenses	709,764 09	637,940 04	71,824 05	
Total operating expenses	\$20,575,736 30	\$22,312,036 49		\$1,736,300 19
Ratio of operating expenses to operating revenues	62.09 %	62.83 %		.74 %
NET OPERATING REVENUE	\$12,562,095 91	\$13,198,117 73		\$636,021 82
TAXES	1,079,376 23	1,122,867 39		43,491 16
OPERATING INCOME	11,482,719 68	12,075,250 34		592,530 66
OTHER INCOME:—				
Outside operations:				
Water lines	*150,019 20	213,916 76		363,935 96
Other operations	*3,268 83	2,672 80		5,941 63
Investments:				
Dividends on stocks	436,772 56	555,840 13		119,067 57
Interest on bonds	42,814 48	48,944 75		6,130 27
Interest on real estate mortgages	15,604 13	17,034 12		1,429 99
Miscellaneous	362,677 20	790,941 03		428,263 83
Total other income	\$704,580 34	\$1,629,349 59		\$924,769 25
TOTAL INCOME	\$12,187,300 02	\$13,704,599 93		\$1,517,299 91
DEDUCTIONS FROM INCOME:—				
Interest on funded debt	3,544,060 00	3,536,060 00	\$8,000 00	
Interest on equipment trust obligations	245,902 50	209,067 50	36,835 00	
Rentals of leased lines and guaranties	2,316,473 00	2,316,473 00		
Miscellaneous deductions	237,061 31	272,425 09		35,363 78
Additions and betterments	582,643 22	1,775,264 26		1,192,621 04
Total deductions from income	\$6,926,140 03	\$8,109,289 85		\$1,183,149 82
NET INCOME	\$5,261,159 99	\$5,595,310 08		\$334,150 09

* Deficit.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 1909

TABLE 2

	Dr.	Cr.
Balance, July 1, 1908		\$16,516,904 84
Dividends :		
Five per cent. on preferred stock, paid July 11, 1908 . . . \$5,315 00		
Two per cent. on common stock, paid July 11, 1908 . . . 806,696 00		
Extra one per cent. on common stock, paid July 11, 1908. 403,348 00		
Five per cent. on preferred stock, paid January 9, 1909 . . . 5,315 00		
Two per cent. on common stock, paid January 9, 1909 . . . 806,696 00		
Extra one per cent. on common stock, paid January 9, 1909 . . . 403,348 00		
	\$2,430,718 00	
Discount on securities sold	150,000 00	
Miscellaneous adjustments		14,905 17
Net income for year ended June 30, 1909, Table No. 1		5,261,159 99
Balance, June 30, 1909	19,212,252 00	
	\$21,792,970 00	\$21,792,970 00
Balance brought forward, July 1, 1909		\$19,212,252 00

TABLE 3
Dr.

CONDENSED GENERAL

ASSETS		
COST OF ROAD		\$18,639,291 95
EQUIPMENT		40,000,069 76
REAL ESTATE		2,762,837 21
SECURITIES OWNED:—		
Stocks of railroad and water lines included in Lehigh Valley system	\$29,289,161 20	
Stocks of coal companies	17,878,682 93	
Stocks of other companies	5,693,448 00	
Bonds of railroad and water lines included in Lehigh Valley system	4,372,926 00	
Bonds of other companies	3,234,906 87	
Certificates of indebtedness, The Lehigh Valley Coal Company	10,537,000 00	
TREASURY STOCK		71,006,125 00
GENERAL CONSOLIDATED MORTGAGE BONDS OF THE COMPANY HELD IN ITS TREASURY		250 00
EQUIPMENT TRUST CERTIFICATES OF THE COMPANY HELD IN ITS TREASURY		3,000,000 00
GENERAL CONSOLIDATED MORTGAGE BONDS OF THE COMPANY IN HANDS OF TRUSTEE OF WARRIOR RUN STOCK PURCHASE BONDS		3,560,000 00
MORTGAGES RECEIVABLE		100,000 00
CURRENT ASSETS:—		310,000 00
Cash on deposit and in hands of Treasurer	\$7,234,140 03	
Cash in transit	902,138 92	
Cash in hands of officers and agents	25,774 58	
Cash fund derived from sale of bonds and reserved for capital and special expenditures	2,574,905 63	
Freight and ticket agents' balances	770,364 48	
Traffic balances due from other companies	484,918 14	
Due from individuals and companies	3,124,938 33	
Bills receivable	376,262 00	
Advances to other companies	328,534 50	
Material and supplies on hand	2,084,199 51	
DEFERRED AND SUSPENDED ASSETS:—		17,906,176 12
Sundry accounts		
TOTAL ASSETS		429,843 95
		\$157,714,593 99

BALANCE SHEET, JUNE 30, 1909

Cr.

LIABILITIES

CAPITAL STOCK:—		
806,696 shares common stock, par \$50	\$40,334,800 00	
2,126 shares preferred stock, par \$50	106,300 00	
		\$40,441,100 00
FUNDED DEBT		80,639,000 00
EQUIPMENT TRUST OBLIGATIONS		8,310,000 00
MORTGAGES ON REAL ESTATE		116,947 23
CURRENT LIABILITIES:—		
Rentals of leased lines due	\$337,500 00	
Interest on funded debt due and unclaimed	55,660 00	
Dividends unpaid	4,213 00	
June pay roll, since paid	1,011,440 51	
Audited vouchers, including June bills, since paid	1,218,136 95	
Traffic balances due to other companies	1,073,640 15	
Due to individuals and companies	140,216 15	
Unclaimed wages	7,205 10	
Employees' relief fund	3,986 52	
		3,851,998 38
INTEREST, RENTALS AND TAXES ACCRUED, NOT DUE:—		
Interest on funded debt	\$723,468 33	
Interest on equipment trusts	72,000 00	
Accrued rentals, leased lines	421,985 82	
Taxes accrued	711,884 84	
		1,929,338 99
DEFERRED AND SUSPENDED LIABILITIES:—		
Sundry accounts		547,833 31
RESERVES:—		
Equipment replacement reserve	\$1,382,511 78	
General reserves	1,283,612 30	
		2,666,124 08
PROFIT AND LOSS		19,212,252 00
TOTAL LIABILITIES		\$157,714,593 99

NOTE.—The dividends declared prior to the close of the fiscal year, and payable July 10, 1909, amounting to \$1,215,359, are not included as a liability in the above statement.

STATEMENT OF FUNDED DEBT, YEARLY INTEREST, GUARANTIES, AND RENTALS
OF LEASED LINES

TABLE 4

DESCRIPTION	PRINCIPAL	DATE OF MATURITY	ACCRUED INTEREST		
			Rate	Due	Amount
Lehigh Valley R. R. Co.:—					
First mortgage bonds	\$5,000,000	June 1, 1948 . .	4% gold	June and Dec.	\$200,000 00
Second mortgage bonds	6,000,000	Sept. 1, 1910 . .	7% . . .	March and Sept.	420,000 00
Consolidated mortgage bonds:—					
Coupon \$1,319,000		Dec. 1, 1923 . .	6% . . .	June and Dec.	
Registered 4,319,000		" "	6% . . .	"	
Annuity 10,062,000		Perpetual	6% . . .	"	
	15,700,000				942,000 00
Coupon \$1,669,000		Dec. 1, 1923 . .	4½% . .	"	
Registered 3,093,000		" "	4½% . .	"	
Annuity 2,538,000		Perpetual	4½% . .	"	
	7,300,000				328,500 00
General consolidated mortgage bonds . .	29,639,000	May 1, 2003 . .	4% gold	May and Nov.	1,185,560 00
Collateral trust bonds	17,000,000	{ \$500,000 semi- annually, to February 1, 1926 }	4% gold	Feb. and Aug.	693,333 33
		Total			\$3,769,393 33
		Deduct interest on general consolidated mort- gage bonds held in treasury			225,333 33
Total	\$80,639,000				\$3,544,060 00
Lehigh Valley Terminal Ry. Co.:—					
First mortgage bonds	\$10,000,000	October 1, 1941 .	5% gold .	April and Oct.	\$500,000 00
Easton and Amboy R. R. Co.:—					
First mortgage bonds	6,000,000	May 1, 1920 . .	5% . . .	May and Nov.	300,000 00
Morris Canal and Banking Co.:—					
Preferred stock \$903,600			10% . . .		90,360 00
Consolidated stock 706,700			4% . . .		28,268 00
	1,610,300				
Easton and Northern R. R. Co.:—					
First mortgage bonds	51,000	Nov. 1, 1935 . .	4½% gold	May and Nov.	2,295 00
Penna. and New York Canal and R. R. Co.:—					
Consolidated mortgage bonds . \$4,000,000		April 1, 1939 . .	5% . . .	April and Oct.	200,000 00
Consolidated mortgage bonds . 1,500,000		" "	4½% . .	"	67,500 00
Consolidated mortgage bonds . 3,000,000		" "	4% . . .	"	120,000 00
	8,500,000				
Lehigh and New York R. R. Co.:—					
First mortgage bonds	2,000,000	Sept. 1, 1945 . .	4% gold .	March and Sept.	80,000 00
The Lehigh Valley Rail Way Co.:—					
First mortgage bonds	15,000,000	July 1, 1940 . .	4½% gold	Jan. and July	675,000 00
The Elmira, Cortland and Northern R. R. Co.:—					
First preferred mortgage bonds, \$750,000		April 1, 1914 . .	6% gold .	April and Oct.	45,000 00
First mortgage bonds 1,250,000		" "	5% gold .	"	62,500 00
	2,000,000				
Middlesex Valley R. R. Co.:—					
First mortgage bonds	211,000	Nov. 1, 1942 . .	5% gold .	May and Nov.	10,550 00
The Lehigh and Lake Erie R. R. Co.:—					
First mortgage bonds	3,000,000	March 1, 1957 . .	4½% gold	March and Sept.	135,000 00
					\$2,316,473 00
Total	\$48,372,300				
Grand total, June 30, 1909	\$129,011,300				\$5,860,533 00

STATEMENT OF EQUIPMENT TRUST CERTIFICATES OUTSTANDING

TABLE 5

LEHIGH VALLEY RAILROAD CO.	PRINCIPAL	DATE OF MATURITY	INTEREST	
			Rate	Due
Equipment Trust, Series D, certificates	\$300,000	{ \$300,000 annually to } March 1, 1910	4½ % gold	Mar. and Sept.
Equipment Trust, Series G, certificates	200,000	{ \$100,000 annually to } August 1, 1910	4½ % gold	Feb. and Aug.
Equipment Trust, Series J, certificates	4,250,000	{ \$250,000 semi-annually } to Sept. 1, 1917	4½ % gold	Mar. and Sept.
Total, June 30, 1909	\$4,750,000			

STATEMENT OF EQUIPMENT TRUST CERTIFICATES HELD IN TREASURY

LEHIGH VALLEY RAILROAD CO.	PRINCIPAL	DATE OF MATURITY	INTEREST	
			Rate	Due
Equipment Trust, Series H, certificates	\$360,000	{ \$90,000 annually to } February 1, 1913	4 % gold	Feb. and Aug.
Equipment Trust, Series I, certificates	3,200,000	{ \$400,000 annually to } Sept. 1, 1916	4 % gold	Mar. and Sept.
Total, June 30, 1909	\$3,560,000			

SUMMARY OF EQUIPMENT TRUST OBLIGATIONS

Equipment Trust Certificates Outstanding	\$4,750,000 00
Equipment Trust Certificates Held in Treasury	3,560,000 00
Total, June 30, 1909	\$8,310,000 00

TABLE 6

STATEMENT OF SECURITIES OWNED

	BONDS	EACH	PAR VALUE	TOTAL
BONDS				
Consolidated Real Estate Co.	2,600	\$1,000	\$2,600,000 00	
Easton and Northern Railroad Co.	162	1,000	162,000 00	
Easton and Northern Railroad Co.	174	500	87,000 00	
Greenville and Hudson Railway Co.	7	50,000	350,000 00	
Hazleton Water Co.	60	5,000	300,000 00	
Irvington Railroad Co.	25	5,000	125,000 00	
Lehigh & Hudson River Railway Co.	34	1,000	34,000 00	
Locust Mountain Water Co.	25	5,000	125,000 00	
Middlesex Valley Railroad Co.	389	1,000	389,000 00	
Montrose Railroad Co.	100	1,000	100,000 00	
Morris Canal and Banking Co.	50	10,000	500,000 00	
Mutual Terminal Co. of Buffalo	220	1,000	220,000 00	
Rochester Southern Railroad Co.	425	1,000	425,000 00	
Schuylkill and Lehigh Valley Railroad Co.	2,000	1,000	2,000,000 00	
Seneca County Railway	500	1,000	500,000 00	
				\$7,917,000 00
CERTIFICATES OF INDEBTEDNESS				
*Lehigh Valley Coal Co.			\$10,537,000 00	
				10,537,000 00
STOCKS				
	SHARES			
*Easton and Northern Railroad Co.	11,300	\$50	\$565,000 00	
*Lehigh and New York Railroad Co., preferred	22,419 ³⁴ / ₁₀₀	100	2,241,934 00	
*Lehigh Valley Coal Co.	39,300	50	1,965,000 00	
*Lehigh Valley Rail Way Co.	117,450	100	11,745,000 00	
†*Lehigh Valley Railroad Co. of New Jersey	204,330	100	20,433,000 00	
*Lehigh Valley Transportation Co.	15,100	100	1,510,000 00	
*Loyalsock Railroad Co.	16,500	50	825,000 00	
*National Storage Co.	24,000	100	2,400,000 00	
*New York and Middle Coal Field R. R. and Coal Co.	48,653	25	1,216,325 00	
*Pennsylvania and New York Canal and R. R. Co.	30,231	50	1,511,550 00	
*Schuylkill and Lehigh Valley Railroad Co.	39,995	50	1,999,750 00	
†Coxe Brothers & Co., Inc.	58,203	50	2,910,150 00	
†Delaware, Susquehanna and Schuylkill R. R. Co.	30,000	50	1,500,000 00	
Bay Shore Connecting Railroad Co.	200	\$86.94 ²⁶⁵ / ₁₀₀ pd.	17,388 53	
Beaver Meadow Water Co.	200	50	10,000 00	
Blackwood Water Co.	1,000	\$5 paid	5,000 00	
Buffalo, Thousand Islands and Portland R. R. Co.	2,500	100	250,000 00	
Buffalo Creek Railroad Co.	1,250	100	125,000 00	
Centralia Water Co.	560	25	14,000 00	
Citizens Water Co. of Tremont	10	50	500 00	
Consolidated Real Estate Co.	100	50	5,000 00	
Amount carried forward			\$51,249,597 53	\$18,454,000 00

* Pledged under General Consolidated Mortgage.

† Pledged under Collateral Trust Agreement.

† Lehigh Valley R. R. Co. of New Jersey owns 79,270 shares.

STATEMENT OF SECURITIES OWNED—Continued

	SHARES	EACH	PAR VALUE	TOTAL
STOCKS—Continued.				
Amount brought forward			\$51,249,597 53	\$18,454,000 00
Delano Water Co.	200	\$5 paid	1,000 00	
Denison Township Water Co.	80	\$10 paid	800 00	
Drifton Water Co.	600	50	30,000 00	
Elmira Transfer Railway Co.	100	100	10,000 00	
Hazleton Water Co.	6,000	50	300,000 00	
Highland Coal Co.	2,400	50	120,000 00	
Jersey City Belt Line Railway Co.	600	\$94 ² / ₃ paid	56,800 00	
Lehigh and Hudson River Railway Co.	1,631	100	163,100 00	
Locust Mountain Coal and Iron Co.	6,618	50	330,900 00	
Locust Mountain Water Co.	2,500	50	125,000 00	
Montrose Railroad Co.	2,000	50	100,000 00	
Morris Canal and Banking Co., consolidated	3,183	100	318,300 00	
Morris Canal and Banking Co., preferred	2,714	100	271,400 00	
Morris Canal and Banking Co., scrip			47,000 00	
Mutual Terminal Co. of Buffalo	150	100	15,000 00	
Newark Bay Railway Co.	500	\$26 paid	13,000 00	
Oneida Water Co.	200	50	10,000 00	
Packer Coal Co.	76	50	3,800 00	
Penn Haven Junction and Glen Onoko R. R. Co.	1,200	\$5 paid	6,000 00	
Philadelphia Bourse, common	30	50	1,500 00	
Philadelphia Bourse, preferred	23	25	575 00	
Philadelphia Harbor Transfer			20,000 00	
Pioneer Real Estate Co.	25	100	2,500 00	
Temple Iron Co.	5,709	100	570,900 00	
Tomhicken Water Co.	200	50	10,000 00	
United Real Estate Co.	10	100	1,000 00	
Weatherly Water Co.	600	10	6,000 00	
Wright Township Water Co.	100	\$5 paid	500 00	
Wyoming Valley Water Supply Co.	10	\$10 paid	100 00	
				53,784,772 53
Total par value				\$72,238,772 53

SUMMARY

Value of bonds as per books	\$7,607,832 87
Value of certificates of indebtedness as per books	10,537,000 00
Value of stocks as per books	60,788,292 13
Total	\$78,933,125 00
Total par value	\$72,238,772 53
Value as per Lehigh Valley Railroad Co. books	\$71,006,125 00
Value as per Lehigh Valley Railroad Co. of New Jersey books	7,927,000 00
Total book value	\$78,933,125 00

MONTHLY OPERATING REVENUES AND EXPENSES FOR THE YEAR ENDED JUNE

TABLE 7

	OPERATING REVENUES					
	COAL FREIGHT	MERCHANDISE FREIGHT	PASSENGER	MAIL AND EXPRESS	MISCELLANEOUS	TOTAL
July, 1908	\$1,029,840 94	\$992,331 76	\$416,088 53	\$49,336 65	\$38,853 14	\$2,526,451 02
August, "	1,207,477 19	1,077,533 21	463,104 27	50,239 69	35,579 11	2,833,933 47
September, "	1,229,642 32	1,204,483 90	405,925 79	48,041 54	38,727 10	2,926,820 65
October, "	1,437,706 49	1,389,381 79	303,657 46	52,592 27	44,120 31	3,227,458 32
November, "	1,324,585 03	1,202,332 57	275,954 64	52,821 11	45,984 17	2,901,677 52
December, "	1,182,138 62	1,052,431 88	281,275 70	51,546 91	37,994 88	2,605,387 99
January, 1909	1,206,649 65	988,704 04	248,425 09	56,380 37	40,119 16	2,540,278 31
February, "	960,315 76	877,457 27	225,826 27	45,113 39	34,332 51	2,143,045 20
March, "	1,322,071 36	1,114,872 01	284,791 29	45,213 18	41,966 45	2,808,914 29
April, "	1,398,836 07	1,069,751 82	302,255 38	53,240 72	42,896 34	2,866,980 33
May, "	1,250,897 66	1,146,595 24	329,688 52	56,526 97	46,637 20	2,830,345 59
June, "	1,281,509 69	1,175,955 41	368,069 80	55,071 93	45,932 69	2,926,539 52
Total, year ended June 30, 1909 .	\$14,831,670 78	\$13,291,830 90	\$3,905,062 74	\$616,124 73	\$493,143 06	\$33,137,832 21
Total, year ended June 30, 1908 .	16,175,279 94	14,011,301 78	4,159,890 47	592,630 94	571,051 09	35,510,154 22
Increase				\$23,493 79		
Decrease	\$1,343,609 16	\$719,470 88	\$254,827 73		\$77,908 03	\$2,372,322 01
Increase, per cent.				3.96		
Decrease, "	8.31	5.13	6.13		13.64	6.68

30, 1909, COMPARED WITH TOTALS FOR THE YEAR ENDED JUNE 30, 1908

MAINTENANCE OF WAY AND STRUCTURES	OPERATING EXPENSES				NET OPERATING REVENUE
	MAINTENANCE OF EQUIPMENT	TRAFFIC AND TRANSPORTATION EXPENSES	GENERAL EXPENSES	TOTAL	
\$289,360 85	\$463,679 14	\$843,331 38	\$52,883 62	\$1,649,254 99	\$877,196 03
281,023 29	567,989 22	861,686 90	59,370 93	1,770,070 34	1,063,863 13
294,853 00	579,597 45	894,103 69	48,980 00	1,817,534 14	1,109,286 51
320,722 27	515,773 86	951,960 85	48,382 01	1,836,838 99	1,390,619 33
294,359 20	533,220 92	973,762 62	45,290 88	1,846,633 62	1,055,043 90
289,167 18	522,886 84	940,024 19	63,859 20	1,815,937 41	789,450 58
295,802 67	465,035 49	895,276 70	53,349 85	1,709,464 71	830,813 60
262,757 19	402,140 41	839,880 61	56,014 61	1,560,792 82	582,252 38
275,629 48	442,246 39	916,367 71	58,596 77	1,692,840 35	1,116,073 94
275,198 04	427,200 96	881,198 31	54,773 72	1,638,371 03	1,228,609 30
280,979 56	471,837 55	867,827 78	61,918 10	1,682,562 99	1,147,782 60
113,486 74	440,821 92	894,781 85	106,344 40	1,555,434 91	1,371,104 61
\$3,273,339 47	\$5,832,430 15	\$10,760,202 59	\$709,764 09	\$20,575,736 30	\$12,562,095 91
3,398,642 07	6,153,874 30	12,121,580 08	637,940 04	22,312,036 49	13,198,117 73
.....	.....	.....	\$71,824 05	.....	.....
\$125,302 60	\$321,444 15	\$1,361,377 49	.....	\$1,736,300 19	\$636,021 82
.....	.....	.....	11.26	.....	.....
3.69	5.22	11.23	.....	7.78	4.82

TABLE 8

CLASSIFICATION OF OPERATING EXPENSES

ACCOUNT	1909	1908	INCREASE	DECREASE
MAINTENANCE OF WAY AND STRUCTURES:—				
Superintendence	\$146,630 80	\$152,545 95		\$5,915 15
Ballast	11,760 26	52,694 59		40,934 33
Ties	513,906 70	462,047 68	\$51,859 02	
Rails	296,729 36	219,489 72	77,239 64	
Other track material	204,429 90	230,455 37		26,025 47
Roadway and track	962,323 99	1,073,924 76		111,600 77
Removal of snow, sand and ice	42,374 65	65,806 30		23,431 65
Tunnels	5,439 74	4,715 85	723 89	
Bridges, trestles and culverts	297,276 81	295,396 63	1,880 18	
Over and under grade crossings	11,099 53	8,373 94	2,725 59	
Grade crossings, fences, cattle guards and signs	50,216 13	39,985 38	10,230 75	
Snow and sand fences and snow sheds	5,469 00	3,121 96	2,347 04	
Signals and interlocking plants	145,873 35	146,176 30		302 95
Telegraph and telephone lines	37,805 21	37,609 37	195 84	
Buildings, fixtures and grounds	367,725 23	388,665 82		20,940 59
Docks and wharves	73,193 70	124,097 17		50,903 47
Roadway tools and supplies	24,898 88	23,548 95	1,349 93	
Injuries to persons	27,693 33	2,980 17	24,713 16	
Stationery and printing	4,309 60	4,255 69	53 91	
Other expenses	1,347 59	4,542 22		3,194 63
Maintaining joint tracks, yards and other facilities—Dr.	80,320 10	94,554 31		14,234 21
Maintaining joint tracks, yards and other facilities—Cr.	*37,484 39	*36,346 06		1,138 33
Total maintenance of way and structures.	\$3,273,339 47	\$3,398,642 07		\$125,302 60
MAINTENANCE OF EQUIPMENT:—				
Superintendence	\$119,183 12	\$115,134 93	\$4,048 19	
Steam locomotives—Repairs	1,971,146 89	2,320,824 73		\$349,677 84
Steam locomotives—Renewals	39,847 69	23,436 59	16,411 10	
Steam locomotives—Depreciation	239,997 30	232,381 40	7,615 90	
Amounts carried forward	\$2,370,175 00	\$2,691,777 65		\$321,602 65

* Credit.

FOR THE YEARS ENDED JUNE 30, 1909 AND 1908

ACCOUNT	1909	1908	INCREASE	DECREASE
MAINTENANCE OF EQUIPMENT— <i>Continued</i> .—				
Amounts brought forward	\$2,370,175 00	\$2,691,777 65		\$321,602 65
Passenger train cars—Repairs.	273,880 87	302,868 21		28,987 34
Passenger train cars—Renewals.	16,829 66	2,330 89	\$14,498 77	
Passenger train cars—Depreciation	34,505 14	36,467 84		1,962 70
Freight train cars—Repairs.	2,052,431 18	2,041,138 17	11,293 01	
Freight train cars—Renewals.	165,814 00	147,896 83	17,917 17	
Freight train cars—Depreciation	704,049 47	653,912 11	50,137 36	
Floating equipment—Repairs.	163 40	390 70		227 30
Floating equipment—Depreciation	213 72	213 72		
Work equipment—Repairs	12,439 01	58,409 09		45,970 08
Work equipment—Renewals	23,814 04	1,793 57	22,020 47	
Work equipment—Depreciation	12,502 24	12,409 62	92 62	
Shop machinery and tools	139,848 19	167,082 57		27,234 38
Power plant equipment		108 57		108 57
Injuries to persons	3,762 84	11,375 35		7,612 51
Stationery and printing	9,466 36	9,187 91	278 45	
Other expenses	87 92	3,479 07		3,391 15
Maintaining joint equipment at terminals—Dr.	12,447 11	13,032 43		585 32
Total maintenance of equipment	\$5,832,430 15	\$6,153,874 30		\$321,444 15
TRAFFIC EXPENSES:—				
Superintendence.	\$137,531 20	\$127,321 13	\$10,210 07	
Outside agencies.	297,430 39	292,257 20	5,173 19	
Advertising.	106,572 17	102,667 07	3,905 10	
Traffic associations	15,089 76	14,873 39	216 37	
Fast freight lines	198,289 41	188,464 95	9,824 46	
Industrial and immigration bureaus	11,803 08	11,820 55		\$17 47
Stationery and printing	43,563 10	41,236 26	2,326 84	
Other expenses	13 89	12 40	1 49	
Total traffic expenses	\$810,293 00	\$778,652 95	\$31,640 05	
TRANSPORTATION EXPENSES:—				
Superintendence.	\$269,553 52	\$272,180 75		\$2,627 23
Dispatching trains	104,473 32	94,561 35	\$9,911 97	
Station employees	1,104,927 43	1,337,550 33		232,622 90
Amounts carried forward	\$1,478,954 27	\$1,704,292 43		\$225,338 16

CLASSIFICATION OF OPERATING EXPENSES

ACCOUNT	1909	1908	INCREASE	DECREASE
TRANSPORTATION EXPENSES—Continued:—				
Amounts brought forward	\$1,478,954 27	\$1,704,292 43		\$225,338 16
Weighing and car service associations	31,727 86	27,695 15	\$4,032 71	
Coal and ore docks	160,490 54	208,906 93		48,416 39
Station supplies and expenses	98,566 87	306,490 94		207,924 07
Yard masters and their clerks	232,541 91	240,128 06		7,586 15
Yard conductors and brakemen	587,661 90	701,832 72		114,170 82
Yard switch and signal tenders	51,558 11	61,720 10		10,161 99
Yard supplies and expenses	18,015 43	16,819 94	1,195 49	
Yard enginemen	331,152 29	382,741 54		51,589 25
Enginehouse expenses—Yard	97,200 32	87,527 87	9,672 45	
Fuel for yard locomotives	328,494 35	367,812 15		39,317 80
Water for yard locomotives	15,355 15	22,260 91		6,905 76
Lubricants for yard locomotives	5,598 00	7,097 55		1,499 55
Other supplies for yard locomotives	6,585 47	7,804 08		1,218 61
Operating joint yards and terminals—Dr.	97,309 97	118,326 29		21,016 32
Operating joint yards and terminals—Cr.	*32,025 41	*32,328 82	303 41	
Road enginemen	1,093,545 51	1,238,606 58		145,061 07
Enginehouse expenses—Road	352,386 05	368,677 10		16,291 05
Fuel for road locomotives	2,469,216 72	2,827,912 80		358,696 08
Water for road locomotives	91,478 69	92,566 87		1,088 18
Lubricants for road locomotives	39,432 46	46,871 79		7,439 33
Other supplies for road locomotives	33,892 99	41,127 53		7,234 54
Road trainmen	1,141,359 09	1,331,630 16		190,271 07
Train supplies and expenses	315,524 16	298,146 36	17,377 80	
Interlockers, block and other signals—Operation	188,518 32	179,034 02	9,484 30	
Crossing flagmen and gatemen	58,120 90	57,569 44	551 46	
Draw bridge operation	4,788 74	4,921 80		133 06
Amounts carried forward	\$9,297,450 66	\$10,716,192 29		\$1,418,741 63

* Credit.

FOR THE YEARS ENDED JUNE 30, 1909 AND 1908—Continued

ACCOUNT	1909	1908	INCREASE	DECREASE
TRANSPORTATION EXPENSES—Continued:—				
Amounts brought forward . . .	\$9,297,450 66	\$10,716,192 29	. . . . .	\$1,418,741 63
Clearing wrecks	43,507 17	60,130 21	. . . . .	16,623 04
Telegraph and telephone—Operation	82,164 12	90,184 29	. . . . .	8,020 17
Operating floating equipment	3,493 77	3,116 20	\$377 57	. . . . .
Stationery and printing	60,757 67	71,500 21	. . . . .	10,742 54
Other expenses	1,870 52	5,298 42	. . . . .	3,427 90
Loss and damage—Freight	252,447 23	223,254 08	29,193 15	. . . . .
Loss and damage—Baggage	294 71	518 81	. . . . .	224 10
Damage to property	24,062 30	13,641 24	10,421 06	. . . . .
Damage to stock on right of way	517 63	1,530 34	. . . . .	1,012 71
Injuries to persons	154,512 80	124,014 71	30,498 09	. . . . .
Operating joint tracks—Dr.	41,724 13	45,305 88	. . . . .	3,581 75
Operating joint tracks—Cr.	*12,893 12	*11,759 55	. . . . .	1,133 57
Total transportation expenses	\$9,949,909 59	\$11,342,927 13	. . . . .	\$1,393,017 54
GENERAL EXPENSES:—				
Salaries and expenses of general officers	\$85,301 53	\$75,605 93	\$9,695 60	. . . . .
Salaries and expenses of clerks and attendants	259,926 91	266,699 34	. . . . .	\$6,772 43
General office supplies and expenses	22,608 37	17,860 82	4,747 55	. . . . .
Law expenses	193,117 72	111,150 63	81,967 09	. . . . .
Insurance	55,570 46	63,933 67	. . . . .	8,363 21
Relief department expenses	44,534 68	47,891 12	. . . . .	3,356 44
Pensions	6,818 53	7,610 43	. . . . .	791 90
Stationery and printing	22,328 49	28,412 17	. . . . .	6,083 68
Other expenses	19,557 40	18,775 93	781 47	. . . . .
Total general expenses	\$709,764 09	\$637,940 04	\$71,824 05	. . . . .
TOTAL OPERATING EXPENSES	\$20,575,736 30	\$22,312,036 49	. . . . .	\$1,736,300 19

* Credit.

STATEMENT OF OPERATING REVENUES AND EXPENSES FOR TEN YEARS,
1900 TO 1909 INCLUSIVE

TABLE 9

OPERATING REVENUES

YEARS ENDED JUNE 30	COAL FREIGHT	MERCHANDISE FREIGHT	PASSENGER	MAIL AND EXPRESS	MISCELLANEOUS	TOTAL OPERATING REVENUES	NET OPERATING REVENUE
1900	\$9,963,376 90	\$8,933,000 10	\$2,926,403 18	\$399,754 03	\$1,229,882 37	\$23,452,416 58	\$5,348,591 23
1901	9,636,802 48	9,272,317 07	2,989,004 24	424,083 35	1,160,359 50	23,482,566 64	4,814,542 36
1902	9,328,959 09	9,627,286 35	3,664,820 27	460,855 54	838,046 70	23,919,967 95	5,938,769 22
1903	10,104,764 40	11,609,706 36	3,191,638 63	483,059 54	1,265,334 33	26,654,503 26	7,674,323 60
1904	12,835,076 24	11,994,700 77	3,155,715 13	513,717 03	1,382,529 04	29,881,738 21	11,011,436 97
1905	13,530,337 42	12,432,582 74	3,509,825 33	544,768 49	1,258,328 74	31,275,842 72	12,346,141 39
1906	13,248,565 42	13,934,127 10	3,971,392 05	585,452 24	1,050,319 82	32,789,856 63	12,637,645 91
1907	15,270,213 84	14,864,262 21	4,326,118 87	591,745 99	469,105 81	35,521,446 72	13,554,116 09
1908	16,175,279 94	14,011,301 78	4,159,890 47	592,630 94	571,051 09	35,510,154 22	13,198,117 73
1909	14,831,670 78	13,291,830 90	3,905,062 74	616,124 73	493,143 06	33,137,832 21	12,562,095 91

The ratio of each class of revenue to total operating revenues is as follows:—

	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909
	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.
Coal freight	42.49	41.04	39.00	37.91	42.95	43.26	40.40	42.99	45.55	44.76
Merchandise freight	38.09	39.49	40.25	43.56	40.14	39.75	42.50	41.84	39.46	40.11
Passenger	12.48	12.72	15.32	11.97	10.56	11.22	12.11	12.18	11.71	11.78
Mail and express	1.70	1.81	1.93	1.81	1.72	1.74	1.79	1.67	1.67	1.86
Miscellaneous	5.24	4.94	3.50	4.75	4.63	4.03	3.20	1.32	1.61	1.49

OPERATING EXPENSES

YEARS ENDED JUNE 30	MAINTENANCE OF WAY AND STRUCTURES	MAINTENANCE OF EQUIPMENT	TRAFFIC AND TRANSPORTATION EXPENSES	GENERAL EXPENSES	TOTAL OPERATING EXPENSES	RATIO OF TOTAL EX- PENSES TO REVENUES
1900	\$3,687,084 39	\$4,335,768 55	\$9,428,893 60	\$652,078 81	\$18,103,825 35	Per Cent. 77.20
1901	4,241,717 04	4,316,861 72	9,374,299 48	735,146 04	18,668,024 28	79.50
1902	3,689,987 12	4,654,257 50	8,898,286 97	738,667 14	17,981,198 73	75.17
1903	4,099,168 88	4,694,395 07	9,567,083 09	619,532 62	18,980,179 66	71.21
1904	3,059,257 82	4,745,341 80	10,469,806 29	595,895 33	18,870,301 24	63.15
1905	3,269,382 74	4,894,269 44	10,179,037 79	587,011 36	18,929,701 33	60.52
1906	3,153,245 22	5,485,794 06	10,891,953 73	621,217 71	20,152,210 72	61.46
1907	3,344,181 89	6,186,873 82	11,920,347 57	515,927 35	21,967,330 63	61.84
1908	3,398,642 07	6,153,874 30	12,121,580 08	637,940 04	22,312,036 49	62.83
1909	3,273,339 47	5,832,430 15	10,760,202 59	709,764 09	20,575,736 30	62.09

The ratio of each class of operating expenses to total operating revenues is as follows:—

	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909
	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.
Maintenance of way and structures.	15.72	18.07	15.42	15.38	10.24	10.45	9.62	9.41	9.57	9.88
Maintenance of equipment	18.49	18.38	19.46	17.61	15.88	15.65	16.73	17.42	17.33	17.60
Traffic and transportation expenses.	40.21	39.92	37.20	35.89	35.04	32.55	33.22	33.56	34.13	32.47
General expenses	2.78	3.13	3.09	2.33	1.99	1.87	1.89	1.45	1.80	2.14

ENGINE, TRAIN, AND CAR STATISTICS FOR THE YEARS ENDED

JUNE 30, 1909 AND 1908

TABLE 10

	1909	1908	PERCENTAGE OF INCREASE OR DECREASE
TRAIN AND ENGINE MILEAGE			
Miles run by passenger trains (including express)	4,348,330	4,326,911	Inc. .50
Miles run by freight trains	8,216,419	9,039,177	Dec. 9.10
Total revenue train miles	12,564,749	13,366,088	Dec. 6.00
Miles run by work trains	506,813	861,254	Dec. 41.15
Miles run by special trains	68,093	60,127	Inc. 13.25
Total train mileage	13,139,655	14,287,469	Dec. 8.03
Miles run by yard switching engines	4,817,505	5,466,206	Dec. 11.87
Miles run by engines in helping service	857,823	781,506	Inc. 9.77
Miles run by engines in light service	1,076,488	1,051,620	Inc. 2.36
Total engine mileage	19,891,471	21,586,801	Dec. 7.85
CAR STATISTICS			
Mileage of loaded freight cars	192,438,377	204,891,982	Dec. 6.08
Mileage of empty freight cars	96,116,971	99,281,343	Dec. 3.19
Mileage of caboose cars	7,992,640	8,803,095	Dec. 9.21
Total mileage of freight train cars	296,547,988	312,976,420	Dec. 5.25
Mileage of passenger cars, including Pullman cars	13,447,323	13,714,268	Dec. 1.95
Mileage of baggage, mail, express, and dining cars	9,504,039	9,505,293	Dec. .01
Total mileage of passenger train cars	22,951,362	23,219,561	Dec. 1.16
Mileage of work cars	545,951	961,148	Dec. 43.20
Mileage of special train cars	82,511	69,572	Inc. 18.60
Total mileage of non-revenue cars	628,462	1,030,720	Dec. 39.03
Total mileage of all cars	320,127,812	337,226,701	Dec. 5.07
Average number of loaded freight cars in train	23.42	22.66	Inc. 3.35
Average number of empty freight cars in train	12.67	11.96	Inc. 5.94
Average number of cars in each freight train	36.09	34.62	Inc. 4.25
*Percentage of loaded cars in each train	64.89	65.47	Dec. .89
Average miles run per freight car per day (including foreign)	19.71	21.70	Dec. 9.17
Average daily mileage of foreign freight cars on lines of Lehigh Valley System	40.87	34.36	Inc. 18.95
Average number of passenger cars in train	3.09	3.17	Dec. 2.52
Average number of baggage, mail, express, and dining cars in train	2.19	2.20	Dec. .45
Average number of cars in each passenger train	5.28	5.37	Dec. 1.68
Average miles run per passenger car per day	100.60	98.88	Inc. 1.74

* Caboose included in empty mileage.

TABLE 11

STATISTICS OF OPERATING REVENUES AND EXPENSES

REVENUES, EXPENSES, AND NET REVENUE	1909	1908	INCREASE		DECREASE	
			Amount	Per cent.	Amount	Per cent.
Average miles of road operated	1,445.67	1,447.63			1.96	.14
Total revenue train miles	12,564,749	13,366,088			801,339	6.00
Freight and passenger revenue	\$32,028,564 42	\$34,346,472 19			\$2,317,907 77	6.75
Freight and passenger revenue per mile of road	22,154 82	23,726 00			1,571 18	6.62
Operating revenues, railroad	33,137,832 21	35,510,154 22			2,372,322 01	6.68
Operating revenues per mile of road	22,922 12	24,529 85			1,607 73	6.55
Operating revenues per train mile	2.637	2.657			.020	.75
Operating expenses, railroad	20,575,736 30	22,312,036 49			1,736,300 19	7.78
Operating expenses per mile of road	14,232 66	15,412 80			1,180 14	7.66
Operating expenses per revenue train mile .	1.637	1.669			.032	1.92
Net operating revenue, railroad	12,562,095 91	13,198,117 73			636,021 82	4.82
Net operating revenue per mile of road . .	8,689 46	9,117 05			427 59	4.69
Net operating revenue per train mile	1.000	.988	\$.012	1.21		
PASSENGER						
Passenger revenue	\$3,905,062 74	\$4,159,890 47			\$254,827 73	6.13
Passenger train revenue	4,630,942 48	4,845,320 18			214,377 70	4.42
Number of passengers carried	4,876,801	4,926,204			49,403	1.00
Number of passengers carried one mile . . .	223,306,381	247,034,678			23,728,297	9.61
Average distance each passenger carried . .	45.79 miles	50.15 miles			4.36 miles	8.69
Average number of passengers one mile per mile of road	154,466	170,648			16,182	9.48
Average revenue per passenger	80.07 cents	84.44 cents			4.37 cents	5.18
Average revenue per passenger per mile . .	1.749 cents	1.684 cents	.065 cent	3.86		
Passenger train mileage	4,014,782	3,974,526	40,256	1.01		
Passenger train mileage (including express) .	4,348,330	4,326,911	21,419	.50		
Passenger revenue per mile of road	\$2,701 21	\$2,873 59			\$172 38	6.00
Passenger revenue per train mile	97.27 cents	104.66 cents			7.39 cents	7.06
Passenger train revenue per mile of road . .	\$3,203 32	\$3,347 07			\$143 75	4.29
Passenger train revenue per train mile . . .	106.50 cents	111.98 cents			5.48 cents	4.89
Average number of passengers in each train .	55.62	62.15			6.53	10.51
Passenger car mileage	13,447,323	13,714,268			266,945	1.95
Baggage, mail, express, and dining car mileage	9,504,039	9,505,293			1,254	.01
Total mileage of passenger train cars	22,951,362	23,219,561			268,199	1.16
Average number of passengers in each passenger car	16.61	18.01			1.40	7.77

FOR THE YEARS ENDED JUNE 30, 1909 AND 1908

	1909	1908	INCREASE		DECREASE	
			Amount	Per cent.	Amount	Per cent.
PASSENGER—(Continued)						
Average number of passenger cars in train . .	3.09	3.17	. . . . .	. . .	.08	2.52
Average number of baggage, mail, express, and dining cars in train	2.19	2.20	. . . . .	. . .	.01	.45
Average number of cars in each passenger train	5.28	5.37	. . . . .	. . .	.09	1.68
FREIGHT						
Coal freight revenue	\$14,831,670 78	\$16,175,279 94	. . . . .	. . .	\$1,343,609 16	8.31
Merchandise freight revenue	13,291,830 90	14,011,301 78	. . . . .	. . .	719,470 88	5.13
Total freight revenue	\$28,123,501 68	\$30,186,581 72	. . . . .	. . .	\$2,063,080 04	6.83
Number tons coal and coke carried	13,273,136	14,522,262	. . . . .	. . .	1,249,126	8.60
Number tons miscellaneous freight carried . .	11,586,069	11,957,899	. . . . .	. . .	371,830	3.11
Total number tons carried, all revenue freight .	24,859,205	26,480,161	. . . . .	. . .	1,620,956	6.12
Tons one mile, coal and coke	2,017,613,649	2,221,951,783	. . . . .	. . .	204,338,134	9.20
Tons one mile, merchandise freight	2,380,195,688	2,573,085,734	. . . . .	. . .	192,890,046	7.50
Tons one mile, all revenue freight	4,397,809,337	4,795,037,517	. . . . .	. . .	397,228,180	8.28
Average distance carried, all revenue freight .	176.91 miles	181.08 miles	. . . . .	. . .	4.17 miles	2.30
Average number of tons carried one mile per mile of road	3,042,056	3,312,336	. . . . .	. . .	270,280	8.16
Average revenue per ton, all revenue freight .	113.13 cents	114.00 cents	. . . . .	. . .	.87 cent	.76
Average revenue per ton per mile, all revenue freight . . . . .	.639 cent	.630 cent	.009 cent	1.43	. . . . .	. . .
Freight train mileage	8,216,419	9,039,177	. . . . .	. . .	822,758	9.10
Freight revenue per mile of road	\$19,453 61	\$20,852 42	. . . . .	. . .	\$1,398 81	6.71
Freight revenue per train mile	\$3.42	\$3.34	\$.08	2.40	. . . . .	. . .
Average number of tons in each train	535.25	530.47	4.78	.90	. . . . .	. . .
Average number of tons in each loaded car .	22.85	23.40	. . . . .	. . .	.55	2.35
Percentage of loaded cars in each freight train .	64.89	65.47	. . . . .	. . .	.58	.89
ALL FREIGHT, INCLUDING COMPANY'S SUPPLIES						
Number of tons carried	27,098,160	29,117,253	. . . . .	. . .	2,019,093	6.93
Number of tons carried one mile	4,544,764,556	4,974,622,759	. . . . .	. . .	429,858,203	8.64
Average distance carried	167.71 miles	170.85 miles	. . . . .	. . .	3.14 miles	1.84
Average number of tons in each train	553.13	550.34	2.79	.51	. . . . .	. . .
Average number of tons in each loaded car . .	23.62	24.28	. . . . .	. . .	.66	2.72

TABLE 12

PERFORMANCE OF LOCOMOTIVES

	1909	1908	INCREASE	DECREASE
LOCOMOTIVE MILEAGE				
Passenger	4,014,782	3,974,526	40,256	
Freight and coal	8,216,419	9,039,177		822,758
Express	333,548	352,385		18,837
Special	68,093	60,127	7,966	
Helping, freight and coal	753,937	688,127	65,810	
Helping, passenger	103,886	93,379	10,507	
Light	1,076,488	1,051,620	24,868	
Switching	4,817,505	5,466,206		648,701
Total (excluding work)	19,384,658	20,725,547		1,340,889
Work	506,813	861,254		354,441
Total	19,891,471	21,586,801		1,695,330
Average passenger	52,385	47,534	4,851	
Average freight and coal	32,517	32,719		202
Average switching and other	27,445	27,156	289	
Average all services	33,716	32,957	759	
Percentage of passenger helping	2.20	2.00	.20	
Percentage of freight and coal helping	7.65	6.48	1.17	
Greatest mileage made by an engine in passenger service	103,074	89,577	13,497	
Greatest mileage made by an engine in freight service	48,317	45,641	2,676	
CAR MILEAGE				
Passenger, express and special	23,033,873	23,289,133		255,260
Freight and coal, loaded	192,438,377	204,891,982		12,453,605
Freight and coal, empty	96,116,971	99,281,343		3,164,372
Work, loaded and empty	545,951	961,148		415,197
Caboose	7,992,640	8,803,095		810,455
Total	320,127,812	337,226,701		17,098,889
Average cars per draft, passenger	5.3	5.4		.1
*Average cars per draft, freight (loaded basis)	29.8	28.6	1.2	

* Two empty freight cars equaling one loaded; caboose mileage included in empty mileage.

FOR THE YEARS ENDED JUNE 30, 1909 AND 1908

	1909	1908	INCREASE	DECREASE
FUEL COAL USED PER MILE				
	POUNDS	POUNDS	POUNDS	POUNDS
Passenger locomotive	119.7	118.0	1.7	. . . . .
Freight and coal locomotive	235.7	243.8	. . . . .	8.1
Switching and other locomotive	84.4	78.9	5.5	. . . . .
All services	167.7	168.4	. . . . .	.7
Passenger car	24.5	23.6	.9	. . . . .
Freight and coal car	9.5	9.9	. . . . .	.4
OIL AND WASTE				
	MILES	MILES	MILES	MILES
Lubricating oil, locomotive miles, per pint	27.41	25.54	1.87	. . . . .
Cylinder oil, locomotive miles, per pint	71.66	65.48	6.18	. . . . .
Waste, locomotive miles, per pound	80.56	79.64	.92	. . . . .
COST PER LOCOMOTIVE MILE				
	CENTS	CENTS	CENTS	CENTS
Fuel	14.48	15.42	. . . . .	.94
Oil and waste . . . . .	.23	.26	. . . . .	.03
Other supplies . . . . .	.21	.24	. . . . .	.03
Water supply . . . . .	.55	.55	. . . . .	. . . . .
Enginemen and firemen	7.38	7.82	. . . . .	.44
Enginehouse expenses	2.33	2.20	.13	. . . . .
Repairs (excluding renewals)	9.91	11.20	. . . . .	1.29
Total	35.09	37.69	. . . . .	2.60
Total, including renewals	35.29	37.80	. . . . .	2.51
COST PER CAR MILE				
	CENTS	CENTS	CENTS	CENTS
Fuel	1.04	1.13	. . . . .	.09
Oil and waste . . . . .	.02	.02	. . . . .	. . . . .
Other supplies . . . . .	.02	.02	. . . . .	. . . . .
Water supply . . . . .	.04	.04	. . . . .	. . . . .
Enginemen and firemen . . . . .	.53	.57	. . . . .	.04
Enginehouse expenses . . . . .	.17	.16	.01	. . . . .
Repairs (excluding renewals) . . . . .	.74	.82	. . . . .	.08
Total	2.56	2.76	. . . . .	.20
Total, including renewals	2.57	2.77	. . . . .	.20

CLASSIFICATION OF TONNAGE FOR THE YEARS ENDED JUNE 30, 1909 AND 1908

TABLE 13

COMMODITY	1909	1908	INCREASE	DECREASE
PRODUCTS OF AGRICULTURE:—				
Grain	1,120,293	1,180,921		60,628
Flour	562,887	583,806		20,919
Other mill products	334,397	349,298		14,901
Hay	262,178	266,388		4,210
Tobacco (unmanufactured)	7,198	5,696	1,502	
Cotton (unmanufactured)	20,428	23,991		3,563
Fruits and vegetables	188,915	196,072		7,157
Other agricultural products	61,499	94,161		32,662
PRODUCTS OF ANIMALS:—				
Live stock	200,628	249,709		49,081
Dressed meats	238,244	223,624	14,620	
Other packing house products	134,516	154,606		20,090
Poultry, game and fish	14,376	19,321		4,945
Wool	14,037	14,665		628
Hides and leather	42,781	48,088		5,307
Milk and cream	83,016	77,922	5,094	
Other products of animals	85,347	69,410	15,937	
PRODUCTS OF MINES:—				
Ores	320,968	476,893		155,925
Stone, sand and other like articles	1,444,097	1,423,170	20,927	
Anthracite coal (net tons)	11,144,452	12,551,587		1,407,135
Bituminous coal and coke	2,128,684	1,970,675	158,009	
PRODUCTS OF FOREST:—				
Lumber	584,332	587,702		3,370
Bark	23,526	23,701		175
Other products of the forest	236,802	265,043		28,241
MANUFACTURES:—				
Petroleum and other oils	328,327	307,933	20,394	
Sugar and glucose	110,637	129,451		18,814
Iron—pig and bloom	403,891	380,606	23,285	
Iron and steel rails	114,553	161,881		47,328
Castings and machinery	277,681	244,298	33,383	
Bar and sheet metal	116,668	97,079	19,589	
Cement, brick and lime	1,465,503	1,762,361		296,858
Agricultural implements	37,487	20,711	16,776	
Wagons, carriages, tools, etc.	14,675	19,413		4,738
Wines, liquors and beers	55,951	68,960		13,009
Household goods and furniture	17,509	21,082		3,573
Copper and lead—pig	318,744	233,940	84,804	
Salt	146,946	169,678		22,732
MISCELLANEOUS	2,197,032	2,006,319	190,713	
Total revenue tonnage	24,859,205	26,480,161		1,620,956

INVENTORY OF EQUIPMENT, JUNE 30, 1909

TABLE 14

LOCOMOTIVES	873	ROAD SERVICE EQUIPMENT:—	
Tractive power (pounds)	23,703,050	Air-brake instruction	1
		Box	6
PASSENGER CAR EQUIPMENT:—		Business	3
Passenger	247	Derrick	33
Chair	3	Locomotive cranes	9
Library Buffet	3	Flat	82
Dining	9	Gondola	75
Café	2	Gravel dump	344
Business	4	Hoister	1
Combination	63	Hospital	1
Baggage and mail	26	Pile driver	3
Express	72	Pole	10
Fruit	11	Scale test	2
Postal	3	Snow flangers	19
Milk	85	Snow plows	10
Total	528	Steam shovels	6
		Supply	3
FREIGHT CAR EQUIPMENT:—		Tool	47
Box	19,993	Tunnel	6
Stock	92	Workmen's	169
Refrigerator	184	Total	830
Produce	943		
Furniture	1	* FLOATING EQUIPMENT:—	
Automobile	100	Lake steamers	6
Flat	242	Tugs	20
Gondola	3,162	Steam lighters	6
Set of gun and armor trucks	1	Barges	196
Coal	17,252	Car floats	25
Cabooses	406	Cattle floats	3
Total	42,376	Hoisting boats	1
Tons capacity	1,505,795	Work boats	3
		Wrecking boats	1
		Total	261

* Does not include Morris Canal equipment.

TABLE 15

STATEMENT OF MILEAGE OF TRACK OPERATED

OWNED BY LEHIGH VALLEY RAILROAD OR CONTROLLED BY OWNERSHIP OF ENTIRE CAPITAL STOCK	FIRST TRACK MILES	SECOND TRACK MILES	THIRD TRACK MILES	FOURTH TRACK MILES	YARD TRACKS AND SIDINGS MILES	TOTAL TRACKS MILES
LEHIGH VALLEY RAILROAD OF NEW JERSEY:						
Main Line—Jersey City, N. J., to Phillipsburg, N. J.	75.07	75.07	25.15	3.75	111.70	290.74
Branches	47.16	18.24			137.79	203.19
LEHIGH VALLEY RAILROAD:						
Main Line—Phillipsburg, N. J., to Wilkes-Barre, Pa.	99.23	88.12	32.98	18.39	155.44	394.16
Branches	28.21	.02			18.75	46.98
Easton and Northern Branch—Easton, Pa., to Belfast, Pa., and Bushkill Station to Thirteenth Street Junction	12.78				4.23	17.01
Mahanoy and Hazleton Division:						
Main Line and Branches	136.36	68.14			111.35	315.85
Minor Branches to Breakers, &c.	65.75	1.02			42.44	109.21
Mountain Cut-Off—Gracedale, Pa., to Avoca, Pa.	18.61	18.10			4.79	41.50
Bowman's Creek Branch—Port Bowkley, Pa., to Bernice, Pa., and Branches	50.29				9.21	59.50
Pennsylvania and New York Railroad:						
Main Line—Wilkes-Barre, Pa., to Pennsylvania State Line	96.59	96.59	2.03	2.03	159.47	356.71
Branches	43.02	1.57			38.70	83.29
Montrose Railroad—Tunkhannock, Pa., to Montrose, Pa.	27.36				3.40	30.76
LEHIGH VALLEY RAIL WAY:						
Main Line—Pennsylvania State Line to Buffalo, N. Y.	175.16	175.16			185.33	535.65
Waverly Branch—Pennsylvania State Line to Waverly, N. Y. . . . .	.41				1.42	1.83
Ithaca Branch—Van Etten Junction, N. Y., to Geneva Junction, N. Y.	59.49	1.02			18.02	78.53
Auburn and Ithaca Branch—Ithaca, N. Y., to Auburn, N. Y.	42.46				9.94	52.40
Cayuga Branch—Cayuga Junction, N. Y., to Cayuga, N. Y.	3.92				1.14	5.06
Rochester Branch—Rochester, N. Y., to Hemlock Lake, N. Y.	29.07				11.08	40.15
Niagara Falls Branch—Niagara Junction, N. Y., to Tonawanda Junction, N. Y.	10.56	10.39			1.95	22.90
Naples Branch—Geneva, N. Y., to Naples, N. Y.	29.42				4.34	33.76
Seneca Falls Branch—Geneva Junction, N. Y., to Seneca Falls, N. Y.	8.20				2.46	10.66
Elmira and Cortland Branch—Elmira, N. Y., to Camden, N. Y.	139.14				33.88	173.02
Lehigh and Lake Erie Branch—Tift Farm, Buffalo, N. Y., to Tift Farm Junction, N. Y.	10.93	10.93			16.33	38.19
Total	1,209.19	564.37	60.16	24.17	1,083.16	2,941.05

STATEMENT OF MILEAGE OF TRACK OPERATED—Continued

CONTROLLED BY OWNERSHIP OF MAJORITY OF CAPITAL STOCK	FIRST TRACK MILES	SECOND TRACK MILES	THIRD TRACK MILES	FOURTH TRACK MILES	YARD TRACKS AND SIDINGS MILES	TOTAL TRACKS MILES
Schuylkill and Lehigh Valley Railroad—Lizard Creek Junction, Pa., to Blackwood, Pa.	41.84	. . . . .	. . . . .	. . . . .	7.74	49.58
Lehigh and New York Railroad—Pennsylvania State Line to North Fair Haven, N. Y.	115.37	. . . . .	. . . . .	. . . . .	33.36	148.73
Total	157.21	. . . . .	. . . . .	. . . . .	41.10	198.31
CONTROLLED BY LEASES	FIRST TRACK MILES	SECOND TRACK MILES	THIRD TRACK MILES	FOURTH TRACK MILES	YARD TRACKS AND SIDINGS MILES	TOTAL TRACKS MILES
State Line and Sullivan Railroad—Monroeton, Pa., to Bernice, Pa.	24.06	. . . . .	. . . . .	. . . . .	3.22	27.28
Hayt's Corners, Ovid and Willard Railroad—Hayt's Corners, N. Y., to Willard, N. Y.	3.82	. . . . .	. . . . .	. . . . .	.30	4.12
Total	27.88	. . . . .	. . . . .	. . . . .	3.52	31.40
TRackage RIGHTS	FIRST TRACK MILES	SECOND TRACK MILES	THIRD TRACK MILES	FOURTH TRACK MILES	YARD TRACKS AND SIDINGS MILES	TOTAL TRACKS MILES
Pennsylvania Railroad—West Newark Junction, N. J., to Jersey City, N. J.	9.40	9.40	. . . . .	. . . . .	. . . . .	18.80
Pennsylvania Railroad—Schuylkill Haven Junction, Pa., to Pottsville, Pa.	4.20	. . . . .	. . . . .	. . . . .	. . . . .	4.20
Pennsylvania Railroad—New Boston Junction, Pa., to Pottsville, Pa.	10.90	. . . . .	. . . . .	. . . . .	. . . . .	10.90
Peoples Railway—Minersville, Pa., to Pottsville, Pa. .	3.47	. . . . .	. . . . .	. . . . .	. . . . .	3.47
Susquehanna and New York Railroad—Barclay Junc- tion, Pa., to Monroeton, Pa.	4.00	. . . . .	. . . . .	. . . . .	. . . . .	4.00
New York Central and Hudson River Railroad—Tona- wanda Junction, N. Y., to Suspension Bridge, N. Y.	14.96	14.29	. . . . .	. . . . .	. . . . .	29.25
New York, Ontario and Western Railroad—Sylvan Junction, N. Y. . . . .	.10	. . . . .	. . . . .	. . . . .	. . . . .	.10
Total	47.03	23.69	. . . . .	. . . . .	. . . . .	70.72

STATEMENT OF MILEAGE OF TRACK OPERATED—*Continued*

RECAPITULATION	FIRST TRACK MILES	SECOND TRACK MILES	THIRD TRACK MILES	FOURTH TRACK MILES	YARD TRACKS AND SIDINGS MILES	TOTAL TRACKS MILES
Owled or controlled by ownership of entire stock	1,209.19	564.37	60.16	24.17	1,083.16	2,941.05
Controlled by ownership of majority of stock	157.21	. . . . .	. . . . .	. . . . .	41.10	198.31
Controlled by leases	27.88	. . . . .	. . . . .	. . . . .	3.52	31.40
Trackage rights	47.03	23.69	. . . . .	. . . . .	. . . . .	70.72
Total	1,441.31	588.06	60.16	24.17	1,127.78	3,241.48
MILEAGE BY STATES	FIRST TRACK MILES	SECOND TRACK MILES	THIRD TRACK MILES	FOURTH TRACK MILES	YARD TRACKS AND SIDINGS MILES	TOTAL TRACKS MILES
Pennsylvania	666.67	273.56	35.01	20.42	558.74	1,554.40
New York	643.01	211.79	. . . . .	. . . . .	321.58	1,176.38
New Jersey	131.63	102.71	25.15	3.75	247.46	510.70
Total	1,441.31	588.06	60.16	24.17	1,127.78	3,241.48